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REPORT OF THE FIRST

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CONFERENCE

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## RURAL LIFE CONFERENCE OF THE STATE COLLEGE OF WASHINGTON

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Selections from papers delivered at the First Rural Life Conference of the State College of Washington, with preliminary announcement of the Second Conference.

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## FOREWORD.

E. A. Bryan.

At the opening of the Summer Session of 1913 of the State College of Washington, a Rural Life Conference was held at the college. It is another evidence of the great awakening of the American people to the agricultural problem. We move in cycles. Economically, the last century was devoted to manufacture, transportation, and incidentally, commerce. We had been and were an agricultural people and our aspiration was to become great in the things in which we were lacking. The best brains were called from the country to the city and the city became the place where the strong man delighted in achievements. In turning our eyes again to the country, the first movement was economic. It looked toward a new agriculture based upon a knowledge as broad and deep as that demanded in the arts and an organization as complete as that achieved in commerce. Then the woeful lack of a sound basis in such knowledge and organization began to appear, and much more the relative decline in other elements of rural life. Sanitation in the city was far in advance of what it was in the country. The old games and social life of the country, the cornhuskings, quilting bees, log rollings, singing schools, were gone and there was no adequate substitute. The country church had well nigh disappeared. Rural telephones, rural delivery, and the automobile, useful as they are, were not able to replace the things which had been lost. Financial reorganization in the country had not kept pace with financial betterment in general. The more stable class of the farmers were paying the highest rate of interest. The love of country life for its own sake had declined. The old were vying with the young in flocking cityward. Now it has come to pass that the study of scientific agriculture has presented a new field of intellectual effort and achievement. And with the turning of the eyes of many men to this field some of the old allurments begin to appear. Along with this and the rise in land values, which is partly cause and partly effect of the movement, the farm seems to give promise of larger financial return than



in the past. "All things work together for good," so they say. At any rate the teacher, the preacher, the farmer, the scientist, the banker, the statesman, the merchant, each with his personal interest, have come together and are focussing attention on the rural problem. It is to be hoped that under this impulse America may renew its youth. It will not, of course, repeat the same things in the same way, but we are yet young as a nation and the country is bigger and better than the town and we may have the spirit of the primitive country life adapted to the convenience, the culture, the prosperity, and the wholesome living of the twentieth century.

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## PLAN AND PURPOSE OF THE SURVEY

E. R. Groves.

### Meaning of the Survey.

The social survey is a community study. It originated in the city because city problems are more spectacular and apparent than those of the country and the need of reliable information concerning such problems was clearly recognized by social workers. Probably the most famous survey is the magnificent investigation made by Charles Booth concerning the social conditions of the poor of London. Another able survey, made by Roundtree, disclosed the poverty of York, England. In this country we have the Pittsburg survey, a splendid community study.

The great purpose of any social survey is accurate information concerning community conditions, but the knowledge may be desired for different purposes. The most common reason for making a survey is the advantages that make for community betterment and community spirit that should result from such a study.

### Value of Survey.

The survey is modern in a significant sense. Science, with its eagerness for trustworthy information, and business, with its emphasis upon fact, both in these days enforce the value of

a careful study of community life. Everywhere in our social life mere opinion proves worthless and an increasing desire is felt for exact knowledge. Thoughtful people appreciate that community progress requires a scientific basis for community comparison and competition such as the survey provides. The survey appeals to the rational, to the practical, to the scientific. It keeps no fellowship with exaggeration, mere sentiment or selfish exploitation. It is honest in its searching for truth and just in its statements. In the end it proves that frankness and knowledge do more for a community's prosperity than deceit or guesses, that the first duty of any community is to know itself.

### **The Rural Survey.**

The country has every need of community study that the city has. The country problems are the great problems. In forces and opportunities the rural life has the first claim for attention and conservation. The making of a rural survey also offers a satisfaction that the more complex and changing city life does not permit. Indeed, an authority on city surveys has recently said that the city survey should be made on the unit basis, one section at a time. The rural survey gives the best possible opportunity to test the results of the social study by attempts to improve the country life. The city survey has been of great value; the rural survey must prove of even greater usefulness.

### **Kinds of Surveys.**

With reference to content we have surveys of rural industries, specific rural problems and general community life. The rural survey most talked about is the study of the community in as great detail as possible. There is real need, however, of surveys of particular industries and surveys of some specific part of the community life. For example, I read recently that one of your leading fruit men believes that the apple industry of the Northwest will suffer unless there is greater cooperation among growers. Of course I know nothing concerning the facts, although I do know that eastern apple growers are awakening to the possibility of raising better apples and that eastern



state colleges are preaching to their students the absolute need of cooperation among apple growers at every opportunity. The point I wish to make, however, is that the successful agitation for cooperation among the apple growers of the northwest requires an accurate and constant knowledge of the conditions of the apple industry, which can only be obtained by the survey. What is true of the apple industry is true also of every special rural industry.

A special problem that can best be met by a preliminary survey to discover actual conditions is that of the consolidated school. Difficult as such a problem often proves in actual practice when a community is divided with reference to the proposition of consolidation, one can hardly question that the first safe step is to learn the exact facts with reference to the problem. This usually is not the step first taken, but it is always the wise beginning.

With reference to purpose, the survey is general or specific. If the general survey gives to science a greater collection of easily used knowledge, the latter provides fuller opportunity for the practical man of affairs.

### **Preparation for the Survey.**

A survey needs to be made with forethought. The best possible preparation is a study by a group of public spirited and efficient citizens of surveys that have been made and of the program of study that the particular community or industry demands. The ground to be covered, the methods to be followed, the organization of the survey and the uses to be made of the completed work, all need to be carefully planned. The danger of persons with prejudices, axes to grind or theories to defend, engaging in a survey, will be appreciated by anyone with experience. The reformer needs first to be the student and the exploiter must be converted to the responsibilities of serious investigation.

### **Organization.**

The organization of the survey is of large importance. It is possible to obtain experts who will take entire charge of the project. For most places this is impractical. Indeed, there are

some real advantages in the survey being made by citizens of the locality. Many ministers deserve great credit for the interest that they have taken in rural surveys that already have been made. I think you will grant, however, that the making of rural surveys ought not to be forced upon country ministers and that the undertaking can best be assumed by business men. Men in business in rural places sometimes make the serious mistake of not being really interested in community prosperity and welfare. Live country business men of foresight will appreciate the opportunity that cooperation in community study necessarily brings. The very best results of survey organization can probably be obtained by a committee catholic in spirit, representative of the community, not too large to work and willing to delegate parts of the investigation to persons best fitted to obtain the necessary information. The educational results that are bound to come to those who seriously attempt to study the life of a rural community prove of unexpected and permanent value.

### Publicity.

Makers of rural surveys in the past have given too little attention to the problem of publicity. A survey is made for use. A rural survey needs most of all to be appreciated by the people of the community that has been studied. It can not have its full success if it appeals only to the rural sociologist and means next to nothing to those who are personally most interested. It is clear, therefore, that the rural survey needs modern advertising and they who are engaged in making it should study the problem of making it popular. Merely to print results in pamphlet form is to waste human energy. A committee ought to have in hand the problem of publicity. Churches, papers, farmers' organizations should be urged to help make the results of the investigation known. The weekly paper should be asked to print parts of the survey again and again. Of course it will be printed as a pamphlet for free distribution. Even here a mistake in the form in which it is printed will decrease its value. Not in small type on poor paper, but in as attractive a manner as possible it ought to be spread broadcast among the people it concerns.



### Respecting the Study.

The usual rural survey is of great value. A better investigation, however, is one that is made again and again. The community becomes self-conscious of its progress and confident of its strength if it knows from time to time that it is making improvements and gaining social efficiency. A careful survey deserves to be continued from period to period. A rural survey that is never followed by later investigation must lose in scientific and practical value. The problems of today will not remain those of tomorrow. A rural survey reports not a dead thing but a living, changing life of human beings. Even the best rural survey will lose its right to authority with the passing of time.

### Ground to be Covered.

The purpose and character of the survey must determine what it shall contain. The general community study should be very broad. In it should be found all possible information that has social value. Experience teaches that one can not know in advance how valuable a certain gathering of facts may prove. It is easier to discard useless information than it is to repeat the investigation to obtain some valuable knowledge neglected during the first survey.

A very complete and suggestive outline for a general survey is published in Gillette's **Constructive Rural Sociology**—a book that everyone interested in rural problems needs to own. The Russell Sage Foundation has a department prepared to give information concerning the making of social surveys. The Presbyterian Board of Home Missions undertakes the making of rural surveys and have on file excellent rural surveys that already have been made.

The state colleges are beginning to cooperate in the making of social surveys. Cornell University especially has proven the very great value of information gathered by the rural survey. I expect soon to see a much larger view of the function of the state college. It ought to lead in all educational effort for social betterment. Without doubt the state college of the future will be prepared to direct the rural survey investiga-

tions. We are training men at New Hampshire State College to take an interest in community survey service and the results of some of the community studies already made by the students are surprisingly valuable.

### **The Survey in Washington**

As I speak I am impressed with the importance of the survey in the great Northwest. The romance of a great empire in construction captivates one's attention. You have been drawn by the strong, compelling human instincts to the last frontier of culture. Westward you face the most ancient of civilizations. Eastward stretch the older states and nations from which you have come. You are cosmopolitan in the best sense and this is the greatest of all your resources as a people, for from the mixing of the ambitious and brave spirits of many races has always issued the greatest progress. You are free to learn from the mistakes of older communities. You are not as yet entangled in the social traditions that retard progress in the east. You occupy a rich possession in the most splendid century in man's long history. What a magnificent opportunity, what a solemn duty to plan progress with forethought! Hardly has this been done ever before. Surely in the making of progress with forethought you will find real need of the social survey.

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### **EDUCATIONAL SURVEYS.**

**Josephine Preston.**

A survey is the application of thoroughly scientific methods to social and economic phenomena, to secure data upon which to base a scientific program for the increase of human and institutional efficiency.

**Growth of the Survey Idea.** In part the survey idea is the outgrowth of scientific management in business as developed by Frederic W. Taylor. Many people feel that our school system and state institutions need scientific management as well as business needs it.



Scientific management depends upon the securing of complete information regarding the needs and possibilities of a business. As the test of efficiency was applied to business establishments of great magnitude, so the test of efficiency has later been applied to all human activities in which men are banded together and organized for common purposes. As a result the survey idea has arisen.

**Application.** The Country Life Commission in its extended hearings, investigations, and inquiries regarding country life was virtually working along the line of a survey. The later extension of the Country Life movement has employed the survey method in its entirety. And now it is being extended to other fields.

Probably the first place in which the survey was used so as to gain national prominence was in the great survey of the city of Pittsburg, made and conducted by social experts in the year 1909, I believe. The portrayal of conditions that existed in that great steel manufacturing city, as revealed in that survey, showing the great social needs of the people, was a demonstration of the great power of the survey. In fact it was from this incident that the magazine formerly known as "Charities and Commons" changed its title to "The Survey" and has developed into a great social dynamic.

The Men and Religion Forward Movement, which swept over the country last year, was an illustration of the use of the survey for religious purposes. There were 35 pivotal cities selected for work by the directors of the movement. But the first condition was that a complete social and religious survey should be made of the city before the team should visit the city. This was necessary before they could suggest any rational plan for the city's betterment.

Some of the churches have established organizations for the improvement of religious conditions in rural communities. On this occasion, at this meeting we find our State College of the State of Washington leading on a state movement to interest the ministers and rural people, as well as the educators of this state in the rural church development. What ever we do we



know that first we must work out some plan for a survey of the work and scope of the rural church and then decide upon a plan to do team work towards its development and larger growth.

**Educational Surveys.** The educational field has not been overlooked in this endeavor to discover ourselves as a people. A few years ago Greenwich, Conn., employed experts to visit the city and make a survey of the whole educational scheme. The experts investigated the business and equipment, the sanitation, the courses and methods of school administration, and the financial system of the city schools. After their work was finished a great exhibit was held, in which conditions as found by the survey were set forth to the people by graphic means, such as charts, etc. The concrete result was such that the people were so impressed that they adopted the improvements that they plainly needed and cheerfully voted for higher taxes in order to carry out the needed reforms.

Other cities have conducted educational surveys, but Greenwich, Conn., is a splendid example of the method and of the result. Our states are heeding the "Call of the Survey" and are planning for them in the respective states.

At present there is being conducted the educational survey of the whole state of Ohio and soon there will be initiated a survey of the educational institutions of Vermont. The plan is to investigate the school systems of the whole state in order to develop a harmonious school system in each state.

Dr. Winship, one of our prominent lecturers and educators of the United States says in part in a recent number of the *Journal of Education* concerning Rhode Island: "Rhode Island, already one of the first ten states in the union in the Sage Foundation scale and first in the length of the school year, has long been in the forefront educationally. The State Superintendent in his automobile can go to any part of the state before schools open in the morning and go home before they close in the afternoon. This is a great asset when it comes to skilled supervision. Rhode Island is an eminently prosperous state withal, so that salaries are good. Rhode Island was

the first or second state to provide pensions for its teachers, setting a pace as to time and a standard as to law which is being followed in the attempts of the other states to enact pension laws. It was the first state to have a 'survey' of the public schools of the United States. It may be a little late to report it, but some 70 years ago the legislature of Rhode Island made an appropriation for a survey of the educational conditions by Henry Barnard. His report was made to the legislature in a public meeting in the Representative Hall. The report was accepted by the legislature by a virtually unanimous vote. A state department of education was established and Dr. Henry Barnard was elected as State Commissioner of Education."

The Agencies that have conducted most of the educational surveys up to the present time are: The Russel Sage Foundation, The Bureau of Municipal Research, the Carnegie Foundation.

One fundamental idea of the survey is that investigators begin their work to discover the truth, not to seek data that will prove their own theories of education.

Educational Surveys in Washington have not as yet been begun, but it is hoped that the State Department of Education will be able to carry out some such surveys during the present biennium.

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## FARM FINANCE.

M. E. Hay.

As we advance in civilization and knowledge each generation has its peculiar problems to meet and to solve. This generation has solved many questions effecting our prosperity, past and present. As our social structure becomes more and more complex, new conditions arise demanding that they be properly solved.

We have now confronting us one great problem which must be solved if we are to enjoy the prosperity and continue our growth and development as we have in the past, and that is.



the tendency of our people to leave the farm and go to the cities to reside. In my estimation there are but few questions effecting us that require more careful consideration than the growth of our urban population, which is constantly going on at the expense of rural sections. If one portion of our country is growing in population and another immediately adjoining, equally as well situated, is becoming depopulated to the advantage of the other, then there is some reason therefor that requires careful consideration and attention. People do not break up old associations and move about except owing to their health or to improve their social surroundings, or financial affairs. These I take to be the prime reasons why people change their place of abode.

As relates to health between the city and country districts that is a matter that I think need not be taken into consideration, for the difference in change of population as between the cities and country sections would be very small. The reason must be that the country people go to the city to improve their social surroundings, or in the hopes of bettering themselves in financial way.

That the cities have many advantages over the country districts in a social way there is no question. But that is a feature of the question that others better qualified than I will take up and discuss with you.

The movement from the country to the city is in no small measure for financial reasons, I am quite certain. The problem of financial returns to the farmer is a subject that can be divided into many reasons, such as the fertility of the soil, methods of farming, efficiency and cost of farm help, method and cost of marketing the crop, ability to secure sufficient money on long time and at a low rate of interest to make his land payments, ability to finance himself during the crop growing and marketing period, and other questions that affect farm profits.

In the past and until quite recently we had large areas of the finest of lands that a man with limited means could acquire ownership of at but little more than the asking. This was a great incentive for a man of small capital to take up his home



in the country where he could soon become an independent home owner. The day of the free lands is now gone and lands that could be purchased at a nominal figure but a few years ago today command a good round sum—a fortune to a poor man—and are now out of the reach of a vast number of our people who would remain in the country, or would remove to the country could they but secure money on terms that would warrant them in engaging in farming operations. Not being able to secure a foothold in the country, and seeing but little opportunity of bettering their financial conditions, they are attracted toward the city where, seemingly, they may be able to command a better price for what they have to sell—their labor—spending no small portion of all the balance of their lives in day labors, dependent upon some one else for a job. They are rearing their families in an atmosphere that does not give to the child that broad vision of life that is given to the child who is raised in the country.

Could they have secured money on long time and at a sufficiently low rate of interest that would warrant the investment they would have become permanent residents in the country, and in time would have become independent home owners—the backbone of our Republic.

Then again we have many who have obtained a temporary foothold in the country, but have been unable to make good for the reason that they have not been able to secure funds to carry them through the crop-growing periods, except at an enormous rate of interest, which has taken all the profit and discouraged them in their efforts. They have sold out and gone to the city.

Have we financial institutions in this country which a man with small capital but with plenty of energy, from which a man can borrow money on long time and at a sufficiently low rate of interest that he may in time pay out? Not at the prices farm lands now command. Therefore he is compelled to remain a hired hand on the farm, or else seek employment elsewhere.

Do we have institutions in this country that will carry a farmer through the crop-growing period and furnish him

sufficient money at a low rate of interest until he can market his crop? We have not.

It is our duty then to study this situation to learn if present methods can not be improved upon, or institutions created that will assist the man with small capital who wishes to invest in the country, and to give to him ready money so that he can secure land of his own and furnish him money at a low rate of interest to meet his harvesting expenses and not be compelled to dump his crop on the market as soon as harvested, but allow him to market his crop as conditions warrant a sale, the money to be returned as fast as his crop is disposed of, the rate of interest depending upon the amount of money required and the length of time retained; the greater the amount and the longer time retained, the higher rate of interest. Also to furnish the farmers money to erect community warehouses, cold storage plants, evaporators, canneries, elevators, creameries, etc.

We find that in many European countries they have farmers' organizations for the very purpose of relieving the conditions we are complaining of; to assist the man who wishes to purchase land by loaning him money up to 75 per cent of the value on long time and at a low rate of interest; to furnish the farmer ready money at a nominal rate of interest to harvest and to carry his crop until disposed of.

During his term of office, President Taft directed the Department of State to make an investigation of the agricultural credit systems in operation in certain European countries. In his preliminary report to the President, Ambassador Myron T. Herrick states:

“The investigation conducted thus far warrants the conclusion that land and agricultural credit are so thoroughly organized in most of the European nations that real estate securities are as liquid and sound as municipal bonds, while the honest, capable and industrious farmer is able to supply himself with working funds for short or long time when desired. The institutions and also the systems devised for these objects have certain basic features in common, but vary considerable in type, and thereby show a remarkable adaptabil-



ity to all sorts of social and economical conditions such as exist in America. The rates of interest at which they are able to lend money fall even below the European commercial rate and are about one-third to one-half less than what prevail in the United States.

“Farmers in many parts of Europe are as familiar with the credit and banking business as the tradespeople in towns and cities, and the great bulk of their loans have been made on personal or chattel security. The loans secured by land mortgages, as a rule, are not repayable in lump at the end of a few years, but run on for 30 or 50 years, and are gradually wiped out by small semi-annual payments coming out of the income of the property. Foreclosures are infrequent, and no company, dealing principally in these so-called long-time “amortizable” farm loans, has failed or occasioned loss to investors in recent times. Farm paper and mortgage bonds are considered investments of the safest sort—the latter being listed on the bourse or stock exchange and having an international market.

“This almost complete organization of land and rural credit in advanced European nations was not a haphazard and spontaneous growth. It was brought about by the insistence of public and private individuals, philanthropists, scholars, bankers, legislators, agricultural societies, government commissions, and national assemblies, all studying and working in a common cause. The history of their efforts in the middle of the past century reads much like an account of the agitation which has been started in the United States by the American Bankers’ Association, the Southern Commercial Congress, the Federal authorities at Washington, and other bodies and individuals for financing the farmer, improving agricultural conditions, and encouraging the movement back to the soil. In Europe the agricultural banks and credit facilities were created before agricultural or even general education was attempted. The United States began at the opposite end. The American colleges and systems for teaching agriculture are among the oldest and best in the world, and millions of dollars have been appropriated by the Federal and State legis-



latures since the passage of the Morrill Act in Lincoln's administration to aid this science in one way or another. Incalculable good has come therefrom, but the results would have been far greater if financial education had gone hand in hand with this work. It would have led to the study and introduction of the rural banking methods of Europe generations ago, and so familiarized the American farmers with the uses of credit that the lack of capital and excessive interest rates would not now be interfering with the agricultural development of the country.

“Personal credit in agricultural Europe is obtained usually by means of the cooperative credit associations. They are also used by artisans and small tradespeople in the towns and cities. These associations are in fact the only banks which the farmers will patronize for short-time loans in the nations where they abound in the greatest numbers. With their aid poverty and usury have been banished, sterile fields have been made fertile, production has been increased, and agriculture and agricultural science raised to the highest point. Their educational influence is no less marked. They have taught the farmers the uses of credit as well as of cash, given them a commercial instinct and business knowledge, and stimulated them to associated action. They have encouraged thrift and saving, created a feeling of independence and self-reliance, and even elevated their moral tone.

“The picture can hardly be overdrawn. Every traveler who visits the places where these little associations exist speaks in glowing phrases of the prosperity and contentment that prevail. They are organized on such simple lines that their management requires only ordinary intelligence. Failures have rarely occurred. In France and other countries they hold a record of never having lost a cent. The working capital and number of members of individual associations are so small as to be insignificant, yet they do one-third of the banking business of Italy; while the combined amount of their operations in Germany equal that of the commercial banks. But the mutual banks, both in town and country, are looked upon with favor in the financial world because they keep millions of dol-

lars of petty sums in circulation which, except for them, would be idle and hoarded. They are, in fact, feeders for the commercial banking system.

“In 1909 in Belgium 458 banks, with a membership of 25,762, had outstanding (roughly calculated) \$4,000,000 of loans; in France 96 regional banks did upward of \$25,000,000 of business on a capital of \$2,983,646; while the 2,983 local banks, with a membership of 133,382 farmers, had \$2,622,241 of capital and a record of over \$20,500,000 of operations. There were nearly 6,000 banks in Austria. The membership was over 725,666, and the loans ran over \$86,500,000. In Italy 690 banks that furnished reports had a working capital of over \$170,091,946. In Germany there is one bank for every 1,600 of the population, and the total business done was over \$4,888,000,000. In one Province there is a bank for every 3,000 acres of land, and so on for all other nations that have co-operative credit institutions.

“With this striking array of figures to show its stability and usefulness, it is remarkable that the farmers of the United States have been so slow to adopt this system of banking for temporary loans on personal security. It has existed in Canada for 22 years. In the Province of Quebec there are a number of mutual banks that have loaned hundreds of thousands of dollars. Massachusetts is the only state in our country that has made an attempt to encourage its introduction. It already has a law allowing the incorporation of credit unions. It was passed in 1909 after a careful study of European legislation, and furnishes an excellent example for the other states. The first concern to start under this law was the Myrick Credit Union at Springfield. In 12 months it had 105 members, a capital of \$3,000, and \$10,000 of outstanding loans. Interest rates have been low, yet it paid over 6 per cent dividends on its capital. Thirteen new unions were formed in 1911 and have \$25,000 of capital. A pamphlet issued by the State Bank Commissioner gives a comprehensive description of the fundamental principles that a mutual association for personal credit must adhere to.”

In Germany, the home of the cooperative land and agricul-



tural credit, they have several systems: The *Landschaften*, the *Raiffeisen*, the *Schulze-Delitzsch*, are the more prominent. The object of the associations is to give credit to their members on favorable terms and not to make a commercial profit.

The main principles underlying all forms of cooperative credit are that if a group of persons combine to furnish a collective guaranty they can, on the security of that guaranty, obtain money at lower rates of interest than they could individually. The collective guaranty may be that of real property. A number of land owners may obtain capital on the security of a collective mortgage on their lands. This is the basis of the German *Landschaften*—the oldest form of cooperative credit institutions. Or the collective guaranty may be a personal one. A number may obtain capital by making themselves jointly responsible. The liability may be unlimited as under the *Raiffeisen* system, or a limited liability as under the *Schulze-Delitzsch* system.

Upon such guaranties capital may be obtained in a variety of ways. In Germany the *Landschaften* issue bonds, but the *Raiffeisen* banks derive their working capital mainly from the deposits they are able to attract. In France the rural banks depend mainly upon capital advanced by the state. In all countries the credit societies are able to obtain capital from the larger banking institutions or from the investing public.

Having obtained the capital, the group of persons must be able to lend it to one another at a rate of interest only slightly in excess of the rate which they pay collectively. This requires two conditions: (1) that the expenses of the management shall be small in proportion to the business done, and (2) that the risk of loss shall be reduced to a minimum.

Where the business is very large, the expenses are not proportionately high, even if the undertaking be conducted on ordinary commercial lines, as we shall see in the case of the *Schulze-Delitzsch* banks. Where, however, the business is small there must be no attempt to pay high dividends and the management must be largely voluntary. In the banks formed on the *Raiffeisen* system (which are individually small, though in the aggregate they do an enormous business) the payment



of dividends is either prohibited altogether, or it is limited to a small percentage, while the management is almost entirely gratuitous.

To reduce the risk of loans to members, many safeguards have been devised which are adopted to varying extents in the different systems.

Where the members are land owners and can give mortgages of their property, it is only necessary to insure that the amount of the loan shall be fully secured by the mortgage, allowing for any possible depreciation in the value of the property. Loans on mortgage are, however, an inconvenient form of credit, where capital is only required for a comparatively short period, and the following are the principal safeguards for loans given on personal security:

1. That loans are only made to members of the group and that only persons known to be trustworthy are admitted.

2. That membership is confined to persons residing within a small district and that, therefore, the members are personally known to one another.

3. That the members being mutually responsible, it will be to the interest of all members to keep an eye upon a borrower and to see that he makes proper use of the money lent to him.

4. That, in like manner, it is to the interest of all members to help a member when he is in difficulties.

5. That the borrower is required to find sureties or give other collateral security for the repayment of the loan.

6. That the borrower binds himself to apply his loan to a specific purpose which will bring in a monetary return sufficient to enable him to repay the sum borrowed, to pay the interest charged, and to leave a net profit for himself.

In France they have a state endowed institution known as the **Credit Agricole Mutuel**, which was founded some 14 years ago. The ground work of the system consists of a number of individual societies organized on the principle of Raiffeisenism. The funds for financing the scheme are largely supplied by the state, which, as a condition of the renewal of the charter by the Bank of France in 1897, should loan, without interest, the

sum of forty millions of francs for the purpose of agriculture, and should in addition furnish a further annual sum by way of tax for the same purpose.

The French system is somewhat complex, and I doubt if it could be worked out in this country unless considerably modified.

The problem of financing our agricultural classes is one that requires careful consideration, and no steps should be taken until we are sure of our ground.

In my message to the last legislature I recommended that an appropriation be made and a commission appointed for the purpose of making a thorough investigation of cooperative rural banking to the end that some system might be devised or adopted that would be of benefit to our farming population. I understand that no action was taken. Agitation should be kept up on this question and action demanded of the next legislature.

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## COOPERATIVE MARKETING.

H. C. Sampson.

Before 1912 Northwestern box apples were a novelty and as such sold themselves. With 1912 the Northwestern apple ceased to be a novelty, because a commodity, and therefore ceased to sell itself, and now, like any other product or article of manufacture, requires a scientific, constructive selling machine.

In 1912 there was: (1) an over-production of fruit, or (2) an under-distribution and failure of the then marketing machines to handle that fruit. And with only ten per cent of our present apple acreage of the states of Oregon, Washington, Idaho, and Montana in bearing, in 1912, if there was an **over-production**, what will happen when one hundred per cent of that acreage comes into bearing?

These four states at present have 505,000 acres of apples already planted, to say nothing of approximately 75,000 acres of other fruits. If, because of poor selection of orchard sites, soil and varieties, poor judgment of growers, and effects of



pests and diseases, we eliminate 255,000 acres of apples as being non-commercial, we still have 250,000 acres confronting us some few years in the future.

I am told that a twelve-year-old orchard should produce a carload per acre. To be perfectly conservative assume the production will be one-half carload per acre for twelve-year-old trees. We then have confronting us in the near future 125,000 carloads of apples instead of 8,000 as in 1913, and 15,000 as in 1912. If then, there were an over-production in 1912 and the then marketing machinery was as effective as any we can develop, we should dig up our apple trees immediately.

However, after traveling more than 17,000 miles and giving more than eighteen months of study to this proposition; talking with growers, railway officials, bankers, business men, heads of organizations, United States Department of Agriculture, wholesalers, commission men, retailers, and in fact with all I could come in contact with whose judgment I thought might bear on the case, I feel assured that **there was no over-production in 1912**, and that with proper selection of place and variety, with proper pruning, cultivation, thinning, spraying, etc., and with the right sort of marketing and distributing machinery and that machinery in control of a sufficient per cent of our tonnage, I feel perfectly assured, I say, that there is ahead of the Northwest apple grower a reasonable price for his labor, and a reasonable interest return on his investment.

The expert orchardist is the one to outline and direct, with regard to choice of site, the orchard cultivation, in short the scientific side of production. But just as scientific manufacturing can not succeed without scientific advertising, distribution and selling organizations, so scientific production alone results in failure without scientific advertising, distributing and selling machinery.

If, then, I am correct thus far in my analysis of the necessity of a better and larger selling institution, and with a larger tonnage than in 1912, the question naturally arises to me, an apple grower, can I wisely and successfully handle my own product this coming season and for succeeding seasons and



particularly when that 125,000 carloads of apples stares me in the face a few years hence?

Every trade or sale is a contest between the minds, personality, knowledge of conditions, as well as the experience, of the two men making the trade. If it be the sale of apples each man brings to the selling or buying his knowledge of market and crop conditions and his experience in the selling or buying of fruit, together with his personality and business capacity. For example: Some months ago the biggest buyer of boxed fruit in the United States sat in our office in conference with our sales manager and general manager. He wanted approximately a quarter of a million dollars worth of apples, and incidentally ten carloads of prunes. He knew thoroughly and well the market and crop conditions, because as a buyer of probably four to five million dollars' worth of apples each year he can well afford to pay a snug sum of money per year for a wonderfully accurate and helpful knowledge of crop and market situations. He likewise brought to this barter or meeting with our officers an experience of twenty-five to thirty years in the fruit game. Now I, as an individual apple grower, can not spend what the North Pacific Fruit Distributors can and has spent this present season for market and crop reports, viz: the stupendous sum of \$20,000, in order to have a knowledge of crop and market conditions equal to that of the buyer himself. But six thousand growers associated together in the North Pacific Fruit Distributors can and have spent such a sum of money that their officers, who are the growers' representatives, may be as fully informed on these things as is the buyer himself, and therefore can meet the buyer on his own ground.

When this buyer talked prunes he stated the price in New York was low and would probably go lower. A telegram that very day from New York city, shown to the would-be buyer, and stating that the price of prunes was firm and would go higher, took away from the buyer the strength of his argument. He could but smile on this point and come back to the contest with a statement that our own production in these four Northwestern states was unusually large and therefore

we must expect a lower price than we were demanding. Reference to our minute book, containing the confidential crop report from our trustees (made possible through the cooperation of the prune growers of the Northwest), showed the buyer that again he was in error, as our crop outlook was below and not above normal as he claimed. Then he stated that other prune growing sections than ours had unusually large crops and therefore, in competition with this over-production elsewhere, our prices must be lowered. But when our sales manager quietly produced telegrams from these other various prune growing sections and proved the buyer wrong for the third time, the buyer smiled for the third time and immediately agreed to pay us a total of \$1,100 more for those ten carloads of prunes than he had within ten minutes before stated positively he would pay.

Again I repeat, then, that as an individual grower I can not meet this buyer or any other buyer with that knowledge of market and crop conditions and buying or selling experience, and therefore can not hold my own with him.

And what is true of me, an individual grower, to almost the same degree is true with a small local association or independent concern handling but a small tonnage, and would be equally true of a large association in any one district. The local association could do little better than I, and the whole Yakima or whole Hood River or whole Wenatchee District, if absolutely together in one association, could still do a great deal more than could the individual grower or the small association or concern, but it could not do what six to ten thousand growers from all districts can and are doing through the North Pacific Fruit Distributors, and will continue to do in succeeding years to a much larger degree.

As an individual grower I can not create and maintain and secure a demand for a uniform grade and pack and brand that will cause people to know and demand my fruit throughout the entire country and bring me an increase of price because of that name and brand. My tonnage alone is not sufficient to do this, and again, what is true of me is true of the small local



concern or organization and to a partial degree is true of even our bigger valley or district associations of the present day.

For many years I bought oranges without knowing one type or kind or brand and often the oranges I bought were very unsatisfactory. But in the past few years I have learned a grade and brand of oranges packed by a reputable growers' organization of California. And knowing that these oranges are always uniform and always of high grade, I demand and take no other brand, even though the price be ten or fifteen cents more per dozen than for some other orange which my dealer may assure me is "just as good or better". This same thing is absolutely true of our apples, and can be brought about only through the affiliation of many thousands of growers, as is the case today with the North Pacific Fruit Distributors.

Recently a grower in Yakima Valley asked permission to turn the "Y" (which indicated his brand) inside of his peach boxes and put his own name and brand on the outside. This permission was given, but the inspection made on this carload of peaches was the same made and required on all the "Big Y Brand" output. This particular carload of peaches was sold by us in Portland, the buyer having ordered "Y" Brand peaches.

But the buyer was very angry when he received these peaches and called us by long distance to know why he had not received what he ordered. We assured him he had received "Y" Brand peaches, "Y" Brand grade, and "Y" Brand inspection, and that the "Y" Brand was on the inside of the boxes. He said that made no difference at all as his retail customers had built up a trade for "Y" Brand peaches, their consumers demanded "Y" Brand peaches and nothing but "Y" Brand peaches would satisfy them. It was then necessary for us to make an allowance of 5c per crate on this entire carload of peaches (a total of \$55) because this grower would not make use of the established brand and reap the benefit thereby. I, as a grower, need the assistance of six to ten thousand other growers to help me create and maintain such grades and brands in order that there will be a demand



at better prices for my product. This I can not do if I turn one consignment to this man today and that man tomorrow, this section of the country today and that one tomorrow, or sell to this dealer today and another tomorrow. Then, too, I haven't a sufficient output to maintain a grade and brand. And what is true of me is true of my neighbors, and true of small associations. Six to ten thousand growers banded together **can** make a uniform grade, pack and brand, and therefore reap the benefit.

As an individual grower I can not distribute my fruit wisely, for a wise distribution requires that no market have too much fruit at any one time and no market too little. If I knew where every other grower and organization was going to ship I perhaps could distribute my stuff wisely, but that knowledge I never have.

If all other growers work separately we will flood some markets and starve others and thereby get the most disastrous results. This was undoubtedly the cause in 1912 when our distribution was very imperfect. Two or three hundred little associations or independent dealers will be much better in this respect perhaps than five or six thousand growers working separately and independently of each other, but two or three hundred little selling organizations will undoubtedly cut each others' throats as in 1912, and no one, particularly the producer, would gain thereby.

Recently the North Pacific Fruit Distributors, through market reports, found that the distribution was too heavy towards Chicago and middle west, New York and export points. Immediately we sent an expert through Oklahoma and Texas points and found there was a keen demand, at prices from fifteen to twenty cents per box better than we could possibly receive in Chicago and New York points. But it is too expensive for me, an individual grower, to send a man to spy out more desirable markets and thus relieve the congestion of Chicago and New York and create a better demand for our present storage stock in those points and find an immediate output with very satisfactory prices in Texas and Oklahoma or other points. But thanks to the tonnage and means

available through the cooperation of six thousand growers our organization can and did do this thing. Small local or independent associations could not do this, and the expense would be somewhat heavy on the part of large districts or groups of associations with a membership of only 300 to 500. But a membership of six thousand can easily bear this burden which becomes very light when divided among so many shoulders.

As an individual grower I can not leave my orchard and accompany my carload of fruit east, nor can I employ and station men, on a salary basis, at all the leading division points on the railways, such as San Francisco, Dallas (Texas), Omaha, Denver, Butte, Winnipeg, Minneapolis, Chicago, New York, and London as is the case with the North Pacific Fruit Distributors. Nor can I afford or secure seventy to one hundred exclusive agents in as many additional distributive points throughout the United States and Canada, to send me daily market and crop reports, to inspect carloads of fruit passing through their cities, to inspect for me fruit rejected by buyers, to solicit orders for carloads of fruit from their customers and friends; all of which I can not possibly do at this long range. Six to ten thousand growers affiliated together in an organization can employ such salaried representatives and such other exclusive agents as the North Pacific Fruit Distributors do, so that each individual grower has more than one hundred capable men wisely "staked out," as it were, in all the principal distributive and diversion points of the civilized world, and all on the lookout each day for each individual growers' interests. And the experience of the distributors this season is that the nearness of a representative to a carload of fruit at its destination often causes the buyer to accept that carload at the full f. o. b. price, whereas the absence of the owner, or his representative (and especially a solitary fruit grower three thousand miles away), will permit the buyer to beat down the price on the assumption that the fruit is not up to grade and quality. In this way many thousands of dollars can be saved to the individual grower by the big organization through its personal representatives. But these personal representatives.



can not possibly be maintained by the individual grower or the small organization and only to a partial degree by a large district organization. But a big central organization can and does get effective results in this particular.

I, as an individual grower, can not set my price wisely because I lack knowledge of market and crop conditions. Nor can I, with my small tonnage, maintain and advance that price and force an f. o. b. basis, as every other trade or profession than that of the farmer does determine and maintain the price of its product or its labor through intelligent cooperation (called organization or combination in the case of capital and union in the case of labor). But a majority of the growers banded together, with a knowledge of the market and crop conditions, can set a fair price for their product and compel that fair price to be paid. The North Pacific Fruit Distributors in July served wide notice on the buyers that the growers affiliated with it would have a greater knowledge of market and crop conditions and, in justice to themselves, would demand a fair division of the profits. And these growers, through the North Pacific Fruit Distributors, for the first time in the history of the Northwest or the apple industry anywhere, did determine the price at which their product should be sold.

They stated that the opening price would be moderately low for a certain percentage of their tonnage; that in about a week or ten days the price would be advanced from five to ten cents per box, and that this same step would be taken each week or ten days as long as the conditions, season and market justified. This the distributors absolutely carried out to the letter. For example, the opening price on extra fancy Jonathans 163 and larger was made \$1.35 (smaller extra fancy Jonathans, other grades of Jonathans and other varieties and grades of apples in due ratio), the price then was advanced from \$1.35 to \$1.40 (all other grades and varieties in proportion), then to \$1.50, \$1.60, \$1.65, \$1.75, and finally to \$1.85. Likewise extra fancy winesaps 163 and larger were started at \$1.50 and today are \$2.10.

This program was absolutely carried out to the letter and

thereby the market was made stable, both for men in our own organization and buyers and dealers outside of our organization. Big eastern buyers having confidence that we could in this manner force a rising market were willing and glad to buy in large quantities of us, we selling a proper percentage of our fruit at each step as the price advanced. Never before in the history of the Northwest has the apple market been on a continuous rise as in this season.

The short season is not alone responsible for this condition, because many other short seasons have prevailed in the past fifteen years, yet always heretofore has the price stopped rising and often declined during the harvesting season. This was not true in 1913 for the reason that the distributors' early sales helped to diminish the number of carloads usually sent tramping unsold during the harvest season. And more than that, the purchase of large quantities of fruit by big eastern buyers before the peak of the harvest set a pace for the hundreds and thousands of little buyers, and they followed the lead of the big "bell wether" buyers, and themselves became buyers and therefore boosters for the box-apple product. I, an individual grower, could not possibly have accomplished this result. It is equally impossible for a small local association or independent dealer or even a sub-central or district association with a thousand members to do this thing. Only through the cooperation of six to ten thousand growers controlling at least fifty per cent of the Northwestern product is such a control of price and price making possible, as was done by the distributors (i. e. 6,000 growers in organization) in 1913—the first time in the history of the American Northwest.

I, as an individual grower, could not furnish a buyer with all the fruit he wants in any grade, variety, and from any section. A big buyer in New York can go to our New York or Chicago office, or come to the main office at Spokane, or by letter or wire, can arrange through a big central organization like ours, for McIntosh from Montana, Wageners from Spokane, Yellow Newtowns from Hood River, Winesaps from Yakima or Wenatchee, and any other grade or variety or kind he chooses from any one or all of the various apple producing



sections. The big buyer thus can save time and money by dealing with a responsible organization that will guarantee the fulfillment of its contracts as to quality and variety, guarantee its grade and pack, and with it carry a dependency and observance of the ethics of the trade that is not possible on the part of any one individual grower, local association, independent buyer or all-district organization, even if it controlled every individual grower of the entire section, as of the Yakima or the Wenatchee or the Rogue River or the Walla Walla or South Idaho. Not only then must we have thousands of growers in a big organization, but those growers should cover all the fruit producing sections of the whole Northwest.

Nowadays intelligent advertising is essential to the sale of any product. No individual grower can advertise his product successfully when every one of his neighbors and other growers in the Northwest receives nearly as much benefit from that advertising as the man who pays the bill. Advertising must be broad, conservative, intelligently directed, and with money enough to carry it on a large scale. This can be done only through a large organization representing thousands of individual growers.

Many matters of legislation, protection of the orchard industry, constructive work on the control of pests, the gathering and organizing of much information of great value to the growers, such as Panama Canal rates, effects, desirability, refrigeration, etc., can not be handled by the individual grower. It is too expensive for the individual, but is not too expensive when conducted by a big organization representing thousands of growers. The consignment man, the cash buyer, the independent dealer, these men are not twelve months on the job tabulating and comparing and contrasting district with district and bringing a wealth of information to the individual grower as is being done by the North Pacific Fruit Distributors, with its 6,000 members.

Recently Congress proposed to prohibit the storage of apples longer than 90 days, also to prohibit storage in the east of any stock that had already been stored in the west. Both of these provisions would have brought incalculable harm to

the orchard industry. Six thousands growers, through the North Pacific Fruit Distributors (within two days of the time their letters and wires reached the senators and representatives from the four northwestern states) secured the elimination of these two undesirable features from the proposed legislation. In like manner will they materially aid in securing at little expense to the growers the uniform box bill that the Northwest has so long wanted.

As an individual grower I do not have **the power** that is necessary in handling successfully any large industry. Recently, when the Illinois Central smashed and burned ten carloads of peaches in one trainload between St. Louis and Chicago for the North Pacific Fruit Distributors, it required but ten days to get from them a settlement in full for these ten carloads and to pass the same on to the growers. Many other illustrations of this nature I could give. When the lack of competitive railways in a little Yakima valley was used by a certain railway as a basis for an excess freight charge of \$16 per car for a twelve-mile haul, the assurance on our part (representing other sections where there was competition) that for every \$16 collected in this way by this railroad, said railroad would lose five carloads of freight, totaling \$1,575, that rightly belonged to this road, but would be diverted to other lines, brought the elimination of this \$16 and thus saved the growers of this valley approximately \$1,000 of excess freight charges this season. And, as the tonnage of this valley increases, the value of the saving will proportionately increase. There are many other illustrations just like this of power through organization that can not be obtained by an individual grower, a local association, an independent dealer, a commission man or a cash buyer.

All individual growers can not finance themselves with a perishable product as collateral security. But this present year the North Pacific Fruit Distributors and its allied associations—thanks to good inspection, good assembling and competent selling facilities—have made a perishable product a basis for stable credit for nearly one-half million dollars—every cent of which was paid before it was due. And though I, an individual



grower, might be able to borrow money at the bank, not because of my fruit, but because of other assets, my neighbor, if not likewise able to borrow, is forced to sell his fruit at a sacrifice in order to get money, and he thus aids in lowering the price of all fruit, and consequently that of every other grower. The financing side then is an important one. And, through co-operation of six to ten thousand growers, a lower interest rate can be secured and the financing can be better handled just as the city in its bonding system can secure a far lower rate because of its larger security than can the individual grower or citizen.

Insurance and storage are likewise vital problems that I, an individual grower, can not handle to the best advantage. The railways tell us that they can not carry in refrigerator cars more than 30,000 carloads during the shipping season. If this is correct, contracts must then be made with shipbuilding concerns to handle our excess tonnage by water, or storage houses must be erected and maintained, insurance and storage for large quantities of fruit must be provided for. And these things I, an individual grower, can not do. But the big central selling organization can handle these affairs wisely and economically. The local association, or the little independent buyer, or the consignment man may do a little better than the individual grower, but the problem is too big for them just as the building of the Panama Canal is too big for private capital or a private concern.

It seems to me that I have conclusively proved the value of a big selling organization over the individual grower, the small organization and the independent or consignment concerns. And the big organization, through the economy possible by concentration, and through its better selling machine, brings a larger net return to the individual grower than he can obtain year in and year out on an average for all of his product, than is the case with any other of these various organizations. But if these things were not true, the additional advantages for service rendered (as I have outlined above) by a big central selling agency is, itself, worth fifteen to twenty-five cents per box to the individual grower. The independent buyer and

the consignment man are not forever on the job rendering these services as is the big organization directly representing the grower.

If I can not sell my own product, then what am I to do? Shall I turn it over on consignment? Automobile manufacturers require payment in cash for each car they turn over to their agents to sell. Therefore no automobile agent cuts the price to such a degree that there is loss to the manufacturer. But if instead of requiring cash from their agents the manufacturers would turn over their automobiles on consignment and send great quantities indiscriminately to various distributive centers (as has previously been the case with fruit), and would say to their agents "get the best price you can and keep ten per cent commission for making the sale," what then would happen? Price-cutting would mean merely a smaller net commission to the agent, but would also mean increased sales to the agent. But this price-cutting would mean net loss to the manufacturer. Now, instead of automobiles, substitute a perishable product and instead of a few wealthy well-organized automobile manufacturers substitute thousands and thousands of unorganized growers and turn their product over on consignment to agents they can not check upon as the automobile manufacturer can do and what then would be the result? Why, demoralization of course, as has been the case always heretofore. Therefore I do not want to turn my fruit over on the consignment plan because I am opposed to it on principle other than as emergency demands; in which event the consignment man has his place and is performing a meritorious service, and I am opposed to it because it makes for price-cutting and demoralization.

Anyway, the consignment man was here in 1912 and his machinery broke down; and if it broke down in 1912 with 10 per cent of our acreage in bearing, what can I hope from it when one hundred per cent of our acreage is in bearing?

What of the cash buyer? I believe in him. However, when the crop is short he is here, and when the crop is heavy he is not here. And frequently he changes his complexion from that of a cash buyer to that of a consignment man. Besides, his



machinery, too, broke down in 1912. And if the fruit industry of the Northwest is put upon a stable basis I must help provide a machine so big, so soundly constructed, so dependable, that it will carry the load when we have one hundred and twenty-five thousand carloads of fruit to market instead of fifteen thousand, as in 1912.

Nothing short then of a big organization representing fifty or more per cent of the commercial tonnage of the Northwest will, I believe, successfully and scientifically market the fruit year in and year out and thus preserve our orchard industry. Without such an organization there will be chaos. With such an organization, rightly manned and constructed on right principles, there will be order and a preservation of our industry.

If you will grant me, then, that a big organization is necessary, the one remaining question for a fruit grower to decide is: "Do I want a cooperative organization owned and controlled absolutely by the growers themselves, and in their interests, or do I want to turn it over to an independent, private, profit-making business concern, which in most instances is controlled outside of, and away from, the fruit growing sections of the Northwest, and is owned and controlled by men having little, if any, interest at all in the business or growing side of the Northwest, and in some instances by men more largely interested in eastern barrelled apples, and citrous fruits and bananas?" To me there is but one answer to this question. The independent private concern will tend towards a monopoly like that of the banana industry in which the grower is absolutely at the mercy of the organization. Even though manned and controlled at the present time by men who are honest and men who are capable, it may eventually be sold to, or inherited by, men who are neither honest nor capable.

I can not possibly lend my assistance then to the organization of a machine that may itself be entirely disinterested in the box-apple business and in time may hold me absolutely helpless in its grasp. For if it is a big private organization marketing apples, citrus fruits, possibly bananas, barrelled

apples and other products, if it can not make the money it desires to make on the box-apple business, having no financial interest in the Northwest, it may decline to handle our box apples, and without question may substitute bananas or citrus fruit or barrelled apples. It does not care if the box-apple business goes entirely to the bow wows. In other words its interest in the box-apple business is only in exploiting it for its own profit. But the cooperative association is owned by those who grow the fruit, and the vital interest of the cooperative association is in preserving the fruit industry of the Northwest. It can make money for its members only by economically and properly managing the sale of its orchard products. And it has no other business than this one thing. But the independent business concern, if it can make more profit on citrus fruits or bananas or barrelled apples, will naturally substitute these products for the Northwest box apples, and therefore permit the apple industry in this territory to languish and die.

In 1912 every known type of selling machine in the four Northwestern states failed. The machine that most nearly succeeded was that one which happened to be the largest, the one built on a co-operative basis, and the one manned by those who are important factors in the control today of the North Pacific Fruit Distributors. And the organizations that more nearly met this one already mentioned, namely the Yakima Valley Fruit Growers' Association, were those most nearly patterned like it and those manned by the most experienced growers, managers and sales managers of the Northwest, whose officers they are now among those in the most important positions with the North Pacific Fruit Distributors.

Moreover, the men who control the marketing of my fruit I want to be bona fide apple growers looking at the economical handling and price-making from the same angle that I, a grower, look at them.

After 18 months of study and observation as an officer of the North Pacific Fruit Distributors of the marketing, and after traveling 17,000 miles investigating as well as possible



from first-hand sources, I have analyzed this question as above, and can reach one conclusion, and one only, viz: That with a large cooperative organization, owned and controlled by the growers themselves, run in the growers' own interests, with fifty per cent or more of the commercial output of the American Northwest, even in the marketing of that prospective 125,000 carloads of apples there is order and fair profit, but with 125,000 carloads facing us, and without such a marketing organization, there is nothing ahead but chaos. Which it shall be, the growers must decide. A great principle is at stake, and the question of temporary returns here and there is a secondary problem. All known machinery utterly failed in 1912. With ten times the tonnage of 1912 ahead of us, the creation of a capable, efficient marketing machine is the one vital thing, so that order may come from chaos and the grower may come into his own.

Can the northwestern fruit grower successfully combine with his fellows in building, owning and controlling his own selling machine? The Englishman has done it for many, many years. The Danish farmer handles \$90,000,000 a year through his cooperative organizations, and receives 92 1-2 per cent of the price paid by the consumer for the farm product. The Frenchman, the German have done it, as has the citrus grower of California and of Florida; the dairyman, the potato grower, the truck grower, the stock breeder, and scores of other very capably managed farmers' organizations in various parts of the United States. In fact, 50,000,000 farmers scattered over the civilized world have for years maintained successful cooperative associations. I believe there is no more intelligent farmer in the whole civilized world than in the orchards of the Northwest. Therefore I believe to the most profound degree that the northwestern fruit grower has and will control the sale of his own product even to a better degree than has been done by the farmer of other sections of this or other countries.

**THE FARMER AND COOPERATION.****L. C. Crow.**

Organization is everywhere manifested in nature, both in animate and in inanimate life, from the tiny grain of sand beneath our feet up through all creation of inanimate being, even to the ponderous worlds that whirl in majesty and splendor to adorn the starry vaults of heaven till we reach the climax of our creative world in the ponderous globe of Jupiter, we may read the great lesson of organization. Man, the greatest of all creative intelligence, has been the slowest to realize this great lesson, but the time has now come and in this 20th century of the Christian era, he has begun to realize that he must improve the golden opportunity, that great aggregation of capital and great accumulation of wealth into the hands of the few, mean to him hopeless struggle, single handed and alone; that if the rural husbandman holds his position in life and succeeds in the great battle for existence, he must organize in order to be able to cope with other fields of industry and organization.

One of the great factors of organization is almost entirely overlooked by farmers, and this is power. There are today perhaps about 5,000,000 farmers organized in the Farmers' Union, The Grange, and the Society of Equity; a vast army of men greater than all the combined armies of the Federal army and sufficiently strong to command the power, respect and admiration of the civilized world; an army strong enough to demand any just and equitable measure and get what it demands, if it cooperates and agrees on what it wants.

The National Country Life Commission brought out this fact prominently and one of its recommendations was that farmers needed organizations to put them in a position where they might better assist themselves, or in other words be able to meet the competitive struggle. If the question be asked why the farmers need be organized the answer is: "Because all other industries are organized for the purpose of protecting the capital invested in their industries." It was said a few years ago by one of our great statesmen that all of our in-



dustries were organized except our greatest of all industries, that of agriculture.

It has been estimated that about one-third of the entire country is engaged directly or indirectly in agriculture, producing about 8 or 9 billions of wealth. Yet this large class of men that is so important to society, so useful to civilization and commercial progress, is scarcely holding its own in the great competitive struggle that is constantly going on in the commercial world. All for want of organization. The farmer has produced enough wealth in a quarter of a century to buy all the property in the United States, and yet he is scarcely holding his own, in fact, if we may believe statistics, he has been losing ground financially, for twelve years ago he owned one-fourth of the wealth of the Nation and now owns but one-fifth. He has been outgeneraled in the battle of wits and has actually been losing ground, because of his failure to get together, stay together, and hold together.

Professor Spillman says the average farm income is only \$650 per year, and out of this the average farmer must clothe, feed, and educate his family, or in other words he is working long hours for about \$1.00 per day. Thus we see he is working himself long hours and paying himself scandalously low wages, which can be largely remedied through concrete, effective organization.

The farmers of the Old World passed through this same evolutionary period from individual effort to that of organization and cooperation many years ago. The farmers of Denmark, thirty or forty years ago, were in a deplorable condition. Their lands were depleted and impoverished and commerce was destroyed and their resources exhausted, but through systematic education and organization they have made rapid improvements. Their lands are now producing much more than in any former period of their existence. Under their methods of intensified farming and under organized methods of marketing and distribution they are in a more prosperous condition than in any time of their history.

The farmers of Denmark have taken their place among the most prosperous and progressive of the world and all because

of their cooperation and constructive methods of economics and industry as it is brought about by organization. The Irish peasants have made wonderful progress in organization under the leadership of Sir Horace Plunket. The American farmers are making great progress at organizing and effective cooperation under the leadership of C. S. Barrett. The farmers of Italy, Germany, France, Belgium, Scotland, England and other European countries are getting together, organizing and getting definite results from organization.

The farmers of the rural districts should organize, establish social centers and discuss better living, better marketing, better sociability, and better citizenship. They will foster education, uproot ignorance, shorten hours and lengthen life, increase independence and decrease dependence, develop merit, decrease selfishness, reduce prejudice, and induce liberty, broaden social centers, eliminate classes, lighten toil, and cheer the home, bring happiness to the fireside. They will soothe the mother's heart to get in the social circle of the organization and spend a few happy hours in social recreation, enjoyment and entertainment with her neighbors. Here is a good place for the children, a social place for the mothers and daughters and a business place for the fathers and sons.

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## THE SOCIAL ASPECTS OF THE COUNTRY CHURCH.

John F. Nicholson.

The subject that I desire to discuss is the social aspect of the country church. There are a few prefatory statements that I desire to make as statements of fact. One is that the country church is responsive to every stimulus which affects the country community. Secondly, the country church has always expressed and measured the social and economic prosperity of the community. One can go into any rural community and by determining the condition of the country church ascertain in a large measure the economic and social welfare of the country people. There are many communities in the United States where the religious sentiment has been so strong that the whole



social fabric of the community has been woven around the church. Let me cite as an illustration the Quaker community, the Mennonites, the Mormon districts, those communities where the Scotch-Irish have settled in large numbers, and lastly in some sections of the United States where a whole community is composed of a religious German element. In all of these communities one finds the entire social conditions completely overshadowed by the church of those communities.

It has always been true that when people worship together they will work together. For this reason, a church organization can hold a community together better than a club or union. There is a certain bond of fellowship running through the church organization that is never found in any other kind of social gathering. For this reason I believe that the social betterment of the farming communities can best be worked out through the religious organizations or the so-called church.

Let me review for a moment the social types found among the rural populations in the United States. We have first of all the pioneer. As a rule the pioneer is of an exclusive nature. He is a lonely type of man and the religion that he believes in is a religion of personal salvation. The second type is the exploiter. He is interested in developing new sections of farm land, he follows the pioneer and attempts to build up rural communities. The church that this type of citizen would found would be a giving, a building, a donating church. I think this type of so-called farmer is found in many of the new sections of the Northwest. It is the desire of the exploiter or builder to make as great an external appearance as possible. And the church becomes a conspicuous object from a material standpoint in the community. The third type found in the United States is the husbandman himself. This is the old-time farmer who is contented to remain upon his acres, rear his children under the best social conditions possible and live to see the day when his sons and daughters are comfortably situated on farms surrounding his own. This type of citizen builds his church as an institutional and social home, and it is in this kind of a rural church that the real social and economic betterment of the rural community must find its solution.

As we look over the history of the agricultural changes or developments in the United States, we see remnants still of each period through which the agricultural development has passed. Look to the New England States and observe still the one-horse farmer. Look to the old south where the small acre farms are still worked with the one mule. Coming farther west we strike the Ohio farmer with his two-horse farm, and still farther west the Iowa farmer farming his land with a four-horse team, while the Idaho farmer rides the gang plow, pulled by eight horses.

In considering the social conditions of a farming community we must take into consideration the tenant, the laborers, and the owner. No system of social betterment can be successful where the so-called marginal people are not taken into consideration. By marginal people I mean those people who labor upon the farm, shifting rapidly from one place to another, such as the hired man and the hired girl.

Now, in looking over the rapid development that agriculture has made in the United States, I fail to find that the church has adapted itself to the changed conditions. Country services today are much like they were fifty years ago. If one should step from an old-time class meeting or prayer meeting that our grandfather attended into one of the similar meetings of today there would be little change. In other words, I am prepared to say that the church is behind the times and is not living up to its opportunities.

So far as the number of churches is concerned, the rural districts are certainly well supplied, and I am prepared to say that there are too many churches in the country today. In looking over some reports at my command I find in one district in Pennsylvania that within a radius of four miles there are twenty-four different churches, and a half mile from this point, within a radius of three miles, there are sixteen churches. It seems to me that the dogmatic differences represented in these various denominations indicate no deep-seated social difference. In certain parts of the United States there has been brought about a perfect consolidation of the various denominations represented in the country churches and, as a rule,



I find that where schools have been consolidated there is apt to be a union of churches. Again I find that in three counties in Indiana there are as many as 41 denominations represented in the rural communities. If religion was to be measured by the number of organizations these three Indiana counties would certainly be very religious. Why, in such counties as this where there are so many churches, consolidated schools are out of the question. As a matter of fact these three Indiana counties have only one consolidated school, only twenty-five per cent of their roads are graveled or macadamized, and, what is more deplorable, there is not even a record of the ministers of these three counties ever having worked together in any movement.

So long as the church is considered a vehicle of eternal salvation just so long shall we have a multitude of denominations. which is, as someone has said, the scandal of Protestantism. Religion is the result of social experiences and not personal.

The apathy of the rural church today certainly can not be remedied by doctrinal training. Churches must be united, must be the center of the social life of the community in order to perform the function that they should perform in a social community. It has been argued that the country school can be made the center for social and community life of the rural district, but this I do not agree with. The country needs a federation of all the betterment forces and those forces are best concentrated and drawn together and made to operate through the church organization. The country schools frequently make it impossible for a real community spirit to be fostered. The boys and girls are taught those things in the country school, which naturally are foreign to life on the farm. Why not teach farm things to farm boys and girls? This alone will cause a concentration of the community spirit which can be worked out in the larger organization.

There is no doubt that the dominating institution in the country today is the church, and with this advantage why can not she perform that function demanded of her throughout the United States? If the church could only have an economic doctrine and recognize that she has as great a work to per-

form and the same kind of work to perform as that of Booker T. Washington among the negroes, this farm betterment question would be largely solved.

Let us turn our attention a moment to some of the factors operating against the church in its struggle to take its place as a social and economic center of a community. The country minister has no training for the work he is to perform. Our seminaries are training men for sky pilots and not for leadership among men. The young minister who desires a life work that will reap the largest amount of satisfaction had better turn his face towards the country community, for there he will find a field for original investigation.

The preacher who accepts a call to the country church in these times is handicapped from the beginning because he has accepted that call. The community at once begins to wonder what it was that caused him to leave the city for a country charge. I'll tell you the church must raise its estimate of itself. The country church is handicapped again by the lack of leadership in the country. The city has called the best men and the farmers remaining in the community are generally unprogressive, much alike in their thoughts, and have no community experiences where all can get together. This condition engenders the type of suspicion which makes it almost impossible for any one man to assume any semblance of leadership. Among fifty agricultural communities that I have taken pains to look up, there were only two that had anything like a leader. I therefore plead for rural leaders. G. F. Wells says "Personal leadership is the most important question today."

Now, in closing, I wish I could refer you to the report of the work of Matthew B. McNutt in DuPage county, Illinios. His work in that county is a wonderful revelation of what can be done by a man who will seize his opportunities and apply them to the betterment of the social and economic welfare of the rural people. I wish I had time to tell you of how this young minister of the gospel, absolutely unfitted for the task, assumed unwillingly the duties of pastor of a country church, and how, by use of native leadership ability, welded that whole community into one compact body and made the church the abso-



lute social center of that district. The story of his work reads like fiction, but it demonstrates that there is not a rural neighborhood in this country that can not be organized for its upbuilding by somebody, by some method, by some activity of general interest. People today have as great spiritual aspirations as ever, but the appeal must be made in terms of every day life.

## FIRST RURAL LIFE CONFERENCE.

The State College of Washington, June 18-19-20, 1913.

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### PROGRAM OF EXERCISES.

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Wednesday, June 18, 1:30 to 3:30 p. m.

#### SURVEY OF RURAL LIFE CONDITIONS AND INSPECTION OF EXHIBITS.

Chairman, President E. A. Bryan, Washington State College.

1:30 to 2:00 p. m. Plan and Purpose of the Survey.

Professor E. R. Groves, State College of New Hampshire.

2:00 to 2:30 p. m. Value of the Survey to Business Interests.

Edwin T. Coman, Cashier Exchange National Bank, Spokane.

2:20 to 2:40 p. m. Religious Surveys.

Reverend Carl Veazie, Ione, Washington.

2:40 to 3:30 p. m. Educational Surveys.

Mrs. Josephine Preston, State Superintendent of Public Instruction, State of Washington.

3:00 to 3:30 p. m. General discussion Surveys, open to all.

3:30 to 5:00 p. m. Inspection of Exhibits.

Pure Food.

Farm Power and Machinery.

Lighting Plants.

Sewage Disposal.

Farm and Household Pests.

Textiles.

Bacteriological.

8:30 p. m. Reception to Summer Session Students and Visitors and Guests of the conference, the Armory.



Thursday, June 19, 8:30 to 12:00 m.

THE ECONOMICS OF AGRICULTURE.

Chairman, Acting President Carlyle, University of Idaho.

8:35 to 9:00 a. m. Farm Finance.

Hon. M. E. Hay of Spokane.

Discussion.

9:10 to 9:35 a. m. Co-operation in Marketing.

H. C. Sampson, Secretary North Pacific Fruit Growers' Assn.

Discussion.

9:45 to 10:10. The Farmers' Educational and Cooperative Union.

Hon. J. L. Brislawn, Davenport, Washington.

10:20 to 10:45. The Grange.

C. B. Kegley, Master of the Washington State Grange.

11:00 to 11:25. Relation of Chambers of Commerce to Rural Communities.

C. C. Chapman, President Portland Chamber of Commerce.

Discussion.

11:35 to 12:00 m. The Bankers' Part in Rural Development.

J. J. Rouse, Cashier Fidelity National Bank, Spokane.

Thursday Afternoon, 1:30 to 3:30.

DISCUSSION OF SOCIAL CENTERS.

Chairman, David Brown, Chairman Country Life Committee of Washington.

Mrs. Josephine Preston, Olympia, Washington.

Rev. Chas. McCaughey, Spokane, Washington.

Mr. C. O. Button, Bellingham, Washington.

General Discussion.

**Thursday Evening, 8:15 p. m.**

Chairman, Hon. R. C. McCroskey, Garfield, Washington.

Social Aspect of the Church.

Professor J. F. Nicholson, University of Idaho, Moscow, Idaho.

**Friday Morning, 8:30 a. m.**

Social Agencies for Rural Betterment.

Chairman, Rev. John M. Matthews, Seattle, Washington.

The Rural Church. W. J. Hindley, Spokane, Washington.

Discussion.

Church Organization and Efficiency.

Rev. Harley Jackon, Columbus, Indiana.

Discussion.

The Rural Schools.

(a) The High School and the Community.

Superintendent C. W. Hodge, Snohomish, Washington.

(b) School Consolidation.

Mrs. Josephine Preston, Olympia, Washington.

(c) School Supervision.

J. C. Muerman, attache of the Federal Department of Education, Salem, Oregon.



## **RURAL LIFE CONFERENCE OF 1914.**

The second Rural Life Conference of the State College of Washington will take place during three days from June 30 to July 2, 1914. As was the case last summer this conference will attempt to consider some of the manifold phases of Rural Life, with especial reference to conditions in the Northwest, and particularly in Washington.

While following the general lines of the previous conference the experience of the earlier sessions has led to a modification which will result in a somewhat greater emphasis being laid on certain practical features of country life. The morning sessions of the three days will be devoted to prepared papers on such subjects as the social aspects of country life, with attention to existing and potential social agencies, such as the school, the church, and social centers apart from these two institutions; the economic side of rural life, including consideration of the financial situation, touching, among other matters, the probable effects of the new currency bill, the rural credit question, with a review of the rural credit bill now pending; marketing, and other aspects of the problem of getting a living in the country. There will be time devoted to some of the pathological aspects of rural groups, including such social problems as poverty and pauperism, crime, defectiveness, etc. In addition to the prepared papers there will be discussions in open meeting and round-table conferences.

The afternoons will be devoted exclusively to the practical side. There will be exhibits, accompanied by demonstrations, related to home, farm and rural town life, including home management, home decoration, beautification of grounds of home, church and school; sanitation in the home and on the farm will also form a part of this feature. In addition to these there are to be arranged demonstrations in stock judging, poultry raising, soil testing, seed testing, and the like. Exhibits and demonstrations of application of mechanical power in the home and on the farm will afford no small part of the interest of this side of the conference.

The evening sessions are each to be given up to one or two

lectures on some of the special features of the Conference, and for these formal presentations some of the strongest speakers of the Conference will be secured.

In addition to the staff of the Summer Session and the additional staff of the two weeks Ministers' course, the time of which coincides in part with the Conference, special speakers are to be secured. Among those who have already engaged to be present is Dr. Ernest H. Lindley of the University of Indiana. Mr. Ralph Felton of New York, who will have charge of the ministerial work and who has spent many years in rural survey work, will be one of the most helpful contributors to the Conference. Men and women prominent in social and educational work in the Northwest will add to the value of the sessions.

All of those men and women who are interested in the vital phases of rural life and who are working and desire to work in a constructive way should receive both practical help and renewed enthusiasm from attendance at the Conference.



## COURSES OFFERED IN THE SUMMER SESSION OF 1914

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**Agriculture**—Soil Physics, Field Crops, Types and Breeds of Farm Animals, Principles of Feeding, Principles of Breeding, Poultry Management, Farm Dairying, Methods of Teaching Agriculture, Soils and Crops, Livestock.

**Botany**—General Botany, Taxonomy, Pathology, Bacteriology, Ecology, Research, Methods of Teaching Botany.

**Chemistry**—Experimental Chemistry, Qualitative Analysis, Quantative Analysis.

**Economics and Sociology**—Agricultural Economics, General Economics, Social Problems.

**Two Weeks Course for Ministers**—Rural Sociology, Religious Pedagogy.

**Education**—School Law, Psychology, History of Education, Adolescence, Ethics, Social Psychology.

**English**—Teachers' Course, Rhetoric and Composition, Exposition, Introduction to English Literature, Debate, Shakespeare, American Literature.

**Fine Arts**—Teachers' Art Course, Home Decoration, Free Hand Drawing.

**History**—Development of the Northwest, Teachers' Course, Oriental and Greek History.

**Home Economics**—Foods and Nutrition, Textiles and Clothing, Household Management, Teachers' Course, Elementary Cooking, Elementary Sewing.

**Horticulture**—General Horticulture, Vegetable Gardening, Propagation of Plants, Plant Growth and Culture.

**Latin**—Teachers' Course, Beginning Latin, Cicero and Sallust, Vergil.

**Manual Arts and Drawing**—Freehand Drawing, Constructive Design, Sloyd, Elementary Woodworking, Cabinet

Making, Teachers' Course. Instrument Making, Metal Work in Shops, Art Metal Work.

**Mathematics**—College Algebra, Trigonometry, Calculus, Differential Equations, Teachers' Course, Elementary Algebra, Plane Geometry, Solid Geometry.

**Modern Languages**—Beginning French, Beginning German, Reading and Conversation, Scientific German, Conversation Course, Teachers' Course.

**Music**—Pianoforte Playing, Organ Playing, Music Appreciation, Sight Singing.

**Oral Expression**—Public Speaking, Dramatics, Reading Aloud.

**Photography.**

**Athletics and Physical Education—**

For Men: Folk Dances and Games, The Theory and Technique of Coaching, Training and First Aid, Swimming, Tennis.

For Women: German and Swedish Calisthenics, Play Ground Games, Coaching, Tennis, Swimming.

**Physics**—Physics for Non-Engineering Students, General Physics, Teachers' Course, Elementary Physics.

**Physiology**—General Physiology, Elementary Physiology.

**Review Courses for Examination**—Arithmetic, Drawing, Geography, Grammar, United States History, Literature, Music, Nature Study, Physical Geography, Physics, Physiology, Reading, State Manual, Theory and Art of Teaching.

**Industrial Courses for Rural Teachers**—Elementary Agriculture, Elementary Sewing, Elementary Cooking, Plant Growth and Culture, Manual Training.

**Zoology**—Introductory Zoology, Bird Life, Economic Entomology.



## LECTURES

### Single Lectures

- June 17—Opening Address.....President E. A. Bryan
- June 18—Organ Recital.....Dr. Ernst A. Evans
- June 22—The Development of Civic Consciousness..  
Dr. Isaac N. McCash, President, Spokane University
- June 23—The Customs, People, and Natural Re-  
sources of Hawaii.....Professor Elton Fulmer
- June 25—Subject to announced.....Professor Ralph Fenton
- June 29—Robert Owen and the New Harmony Ex-  
periment.....President E. A. Bryan
- June 30—The Dormant Powers of Men..Dr. Ernest H. Lindley
- July 2—Organ Recital.....Dr. Ernst A. Evans
- July 6—Rural Surveys.....Mrs. Josephine Preston  
State Superintendent of Public Instruction
- July 7—The Mystery of Dreams.....Dr. Ernest H. Lindley
- July 9—Sex Hygiene.....Dr. Ira D. Cardiff
- July 13—Subject to be announced.....Dr. Edward O. Sisson  
Commissioner of Education of State of Idaho
- July 14—The New Pioneers.....Dr. Ernest H. Lindley
- July 16—The Source and Function of Laughter....  
.....Dr. Frank F. Potter
- July 20—Books: Their Relation to Happiness and  
Culture.....Rev. John W. Caughlan
- July 21—Organ Recital.....Dr. Ernst A. Evans

### Serial Lectures

- Rural Schools (two lectures).....June 22, 23  
Professor J. L. Dumas, of the State Dept. of Education

Architectural Styles and Famous Buildings, four illustrated lectures.....June 30, July 7, 14, 21  
 June 30, Egyptian and Asiatic; July 7, Greek and Roman; July 14, Romanesque, Byzantine, and Gothic; July 21, Renaissance and Modern.

Rudolph Weaver, Professor of Architecture and Architect to the College

The Expansion of the American People.....July 6, 13, 20  
 A series of three illustrated lectures

Professor Leroy F. Jackson of the Department of Economic Science and History

Writers of American Fiction.....June 24, July 1, 8, 15, 22  
 June 24—Early: Charles Brockden Brown, etc.  
 July 1—Romantic: Irving, Hawthorne, Poe. July 8—Local Color: Bret Harte, Mark Twain, G. W. Cable.  
 July 15—Realist: Howells and James. July 22—Sociological: Edith Wharton, Robert Herrick, Margaret Deland.

Professor Stephen Faunce Sears of the Department of English





